



HF 651 – E911 Funding (LSB1928HZ)

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Fiscal Note Version – New

Description

House File 651 changes the allocation of moneys from the E911 Emergency Communications Fund. The Fund receives revenue from the E911 surcharge on telephone services. This Bill provides a financial incentive for Public Safety Answering Points (PSAPs) to consolidate and may result in service efficiencies and cost savings in the future. This Bill also continues annual grants of up to \$100,000 to PSAPs to defray the costs of equipment for the receipt of an E911 call and amends Iowa Code language to allow grant funds to be used for costs related to disposition of an E911 call.

Currently, the amount set aside for wireless cost recovery (13.0% of the money received each calendar quarter) will expire on June 30, 2016. This Bill extends the cost recovery for wireless providers until June 30, 2026. If any surplus remains in the Fund after paying priority allocations, an amount up to \$100,000 may be used in consultation with the E911 Communications Council for development of awareness and educational programs for public education and for personnel responsible for maintenance, operation, and upgrading of E911 systems, and for the expenses of members of the E911 Communications Council for travel, monthly meetings, and training.

The Bill states that the Homeland Security and Emergency Management Department (HSEMD) will pay on a quarterly basis for the lease costs associated with the statewide land mobile radio communications system that will interface with the Iowa interoperability radio platform. The PSAPs will be able to use this system at no additional cost. This platform will be under the joint purview of the Department of Public Safety (DPS) and the Department of Transportation (DOT). The three Departments are to jointly submit a biannual report to the Iowa Statewide Interoperable Communications System Board beginning July 1, 2016. The Bill does not appropriate funds for the payment of the lease that is scheduled to be \$4.0 million in FY 2016.

Background

Funds from the E911 service surcharge are administered by the HSEMD. Currently, funds are allocated for:

- Administration of the wireless surcharge (\$250,000 annually).
- Wireless service provider cost recovery (up to \$560,000 annually).
- Network transport costs (\$2.4 million annually).
- Allocation to the PSAPs of 46.0% of the surcharge collected (up to \$12.9 million annually).
- Maintenance, equipment installation, engineering, data and imagery services, text to 911 TCS Emedia, ESInet costs, and other network expenses (projected to be \$10.7 million in FY 2015 and \$3.7 million annually beginning in FY 2016).
- Individual grants to PSAPs to defray costs of equipment for the receipt of E911 calls (currently projected to be \$8.3 million annually).

Surplus amounts in the E911 Emergency Communications Fund in recent years resulted in an ending balance carryover from FY 2014 to FY 2015 of \$18.7 million. Through the first three quarters of FY 2015, the carryover balance is approximately \$24.7 million.

Assumptions

- Surcharge revenue will continue to be approximately \$28.1 million annually from:
 - Landline and wireless line surcharges of \$26.0 million.
 - Prepaid wireless plan surcharges of \$2.0 million.
 - Annual interest of less than \$50,000.
- Changing the allocation to PSAPs from 46.0% of the surcharge collected to 53.0% will increase that allocation from \$12.9 million annually to \$14.8 million annually.
- Enabling PSAPs to apply for and use grant money for the receipt and disposition of E911 calls will increase the grant distribution from the current \$8.3 million to approximately \$11.6 million.

Fiscal Impact

Changes made by [House File 651](#) in the funding allocation will result in an estimated increase in expenditures from the E911 Emergency Communications Fund of \$5.9 million annually over current law. Of this, \$5.3 million would be going to local PSAPs.

Appropriated funds will be necessary for the statewide land mobile radio communications system that will interface with the Iowa interoperability radio platform.

Costs to provide a biannual report to the Iowa Statewide Interoperable Communications System Board beginning on July 1, 2016, will be minimal and will be absorbed by the DOT, DPS, and HSEMD.

Source

HSEMD

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
